

Jeffrey A. Masoner  
Vice President-Interconnection Services



Verizon Services Corp.  
1320 North Courthouse Road, 2<sup>nd</sup> Floor  
Arlington, Virginia 22201  
Tel. 703-974-4610  
Fax. 703-974-0314  
Jeffrey.a.masoner@verizon.com

October 30, 2000

Andrew M. Klein, Esq.  
Kelley Drye & Warren LLP  
1200 19<sup>th</sup> Street, N.W., Suite 500  
Washington, D.C. 20036

Re: Requested Adoption Under the FCC Merger Conditions

Dear Mr. Klein:

Verizon Washington, D.C. Inc., f/k/a Bell Atlantic-Washington, D.C., Inc. ("Verizon Washington, D.C."), has received your letter stating that, pursuant to paragraph 32 of the BA/GTE Merger Conditions ("Merger Conditions"), released by the FCC on June 16, 2000 in CC Docket No. 98-184, KMC Telecom V, Inc. ("KMC") wishes to provide services to customers in Verizon Washington, D.C.'s service territory in the District of Columbia by adopting the voluntarily negotiated terms of the Interconnection Agreement between Global NAPS, Inc. ("GNAPS") and Verizon New England Inc., f/k/a Bell Atlantic – Maine ("Verizon Maine") that was approved by the Maine Commission as an effective agreement in the State of Maine, as such agreement exists on the date hereof after giving effect to operation of law (the "Verizon Maine Terms")<sup>1</sup>.

I understand that KMC has a copy of the Verizon Maine Terms which, in any case, are attached hereto as Appendix 1. Except with respect to Maine state-specific pricing provisions, performance measures provisions, provisions that incorporate a determination reached in an arbitration conducted in the relevant state under 47 U.S.C. Section 252, provisions that incorporate the results of negotiations with a state commission or telecommunications carrier outside of the negotiation procedures of 47 U.S.C. Section 252(a)(1), and any provisions not required by Section 251(c) of the Telecommunications Act of 1996 (the "Act") (including but not limited to any reciprocal compensation provisions, which are also excluded as state-specific pricing provisions and, in any case, are not available for adoption under the Merger Conditions) contained in the GNAPS/Verizon Maine agreement, Verizon Washington, D.C. does not oppose KMC's adoption of the Verizon Maine Terms at this time. However, please note the following with respect to KMC's adoption of the Verizon Maine Terms.

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<sup>1</sup> These "agreements" are not agreements in the generally accepted understanding of that term. Verizon Maine was required to accept these agreements, which were required to reflect then-effective FCC rules and other applicable law.

1. By KMC's countersignature on this letter, KMC hereby represents and agrees to the following three points:

(A) KMC adopts in the service territory of Verizon Washington, D.C. the Verizon Maine Terms of the GNAPS/Verizon Maine agreement, and in applying the Verizon Maine Terms, agrees that KMC shall be substituted in place of GNAPS in the Verizon Maine Terms wherever appropriate.

(B) KMC requests that notice to KMC as may be required or permitted under the Verizon Maine Terms shall be provided as follows:

To : CT Corporation System  
1025 Vermont Avenue, N.W.  
Washington, D.C. 20005  
Facsimile: (717) 590-9190  
Phone: (717) 590-9100

(C) KMC represents and warrants that it is a certified provider of local telecommunications service in the District of Columbia, and that its adoption of the Verizon Maine Terms will only cover services in the service territory of Verizon Washington, D.C. in the District of Columbia.

2. KMC's adoption of the Verizon Maine Terms shall become effective upon the date that Verizon Washington, D.C. files this letter with the District of Columbia Commission (which Verizon Washington, D.C. will promptly do upon my receipt of a copy of this letter, countersigned by KMC as to points (A), (B) and (C) of paragraph 1 above, as well as a copy of a joint filing letter, countersigned by KMC) and remain in effect no longer than the date the GNAPS/Verizon Maine agreement terminates or expires. The GNAPS/Verizon Maine agreement is currently scheduled to expire on October 1, 2001. Thus, the Verizon Maine Terms adopted by KMC also shall terminate or expire on that date.

3. As the Verizon Maine Terms are being adopted by KMC pursuant to the Merger Conditions, Verizon Washington, D.C. does not provide the Verizon Maine Terms to KMC as either a voluntary or negotiated agreement. The filing and performance by Verizon Washington, D.C. of the Verizon Maine Terms does not in any way constitute a waiver by Verizon Washington, D.C. of any position as to the Verizon Maine Terms or a portion thereof. Nor does it constitute a waiver by Verizon Washington, D.C. of any rights and remedies it may have to seek review of the Verizon Maine Terms, or to seek review of any provisions included in these Verizon Maine Terms as a result of KMC's election pursuant to the Merger Conditions.

4. KMC's adoption of the Verizon Maine Terms pursuant to the Merger Conditions is subject to all of the provisions of such Merger Conditions. For example, state-specific pricing, state-specific performance measures, provisions that incorporate a determination

reached in an arbitration conducted in the relevant state under 47 U.S.C. Section 252, provisions that incorporate the results of negotiations with a state commission or telecommunications carrier outside of the negotiation procedures of 47 U.S.C. Section 252(a)(1), and provisions from the GNAPS/Verizon Maine agreement that are not required pursuant to Section 251(c) of the Act shall not apply to KMC's adoption of the Verizon Maine Terms in the District of Columbia. In that regard, Verizon Washington, D.C.'s standard pricing schedule for interconnection agreements (as such schedule may be amended from time to time) (attached as Appendix 2 hereto) shall apply to KMC's adoption of the Verizon Maine Terms. KMC should note that the aforementioned pricing schedule contains rates for certain services the terms for which are not subject to adoption under the Merger Conditions (e.g., number portability and reciprocal compensation). In an effort to expedite the adoption process, Verizon has not taken the time to delete such rates from the pricing schedule. However, the inclusion of such rates in no way obligates Verizon to provide the subject services and in no way waives Verizon's rights under the Merger Conditions. Verizon will, nonetheless, if requested by KMC, work cooperatively with KMC to the extent necessary to identify any other provisions of the GNAPS/Verizon Maine agreement, including provisions that incorporate a determination reached in an arbitration conducted in the relevant state under 47 U.S.C. Section 252 and provisions that incorporate the results of negotiations with a state commission or telecommunications carrier outside of the negotiation procedures of 47 U.S.C. Section 252(a)(1), and provisions that are not required pursuant to Section 251(c) of the Act that are not subject to the MFN obligations of the Merger Conditions so that KMC, should it desire similar terms in the District of Columbia, may evaluate its options for obtaining such similar terms under applicable law.

As noted directly above, under the terms of paragraph 32 of the Merger Conditions, the MFN requirements in the Merger Conditions are exclusive of price terms, and prices applicable to interconnection arrangements are to be established on a state-specific basis. In addition, paragraph 32 of the Merger Conditions provides that Verizon is not obligated to permit a carrier to adopt any interconnection arrangement unless the arrangement "is consistent with the laws and regulatory requirements of the state for which the request is made[.]" Thus, by KMC's adoption of the GNAPS/Verizon Maine agreement for the District of Columbia, KMC must accept the pricing terms provided by the District of Columbia Commission, and it will not be entitled to terms and arrangements inconsistent with District of Columbia law and policy.

In addition, the Merger Conditions' MFN obligation on which KMC relies extends only to interconnection arrangements, UNEs, or provisions of an interconnection agreement that are "subject to 47 U.S.C. § 251(c) . . . ." As you know, the obligation of local exchange carriers to pay one another reciprocal compensation for local traffic is found not in Section 251(c), but in Section 251(b), of the Act. On its face, therefore, the Merger Conditions' provision on which KMC relies does not extend to the reciprocal compensation provisions of Verizon Maine's interconnection agreements or to any other provisions therein not required by Section 251(c).

Even if this provision of the Merger Conditions were to be misconstrued as encompassing not only items subject to Section 251(c), but also items subject to Section 251(b), it would still not obligate Verizon Washington, D.C. to permit the cross-state adoption of compensation terms pertaining to Internet traffic. The FCC's February 1999 order expressly found that Internet traffic is not local. Accordingly, even if the GNAPS/Verizon Maine agreement were mistakenly construed as containing a voluntary commitment to pay compensation on Internet traffic, that commitment would be entirely outside the scope of the requirements of Section 251, and therefore not subject to the cross-state MFN provisions of the Merger Conditions.

In addition, KMC's adoption of the Verizon Maine Terms shall not obligate Verizon Washington, D.C. to provide any interconnection arrangement or unbundled network element unless it is feasible to provide given the technical, network and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, the District of Columbia and with applicable collective bargaining agreements.

5. On January 25, 1999, the Supreme Court of the United States issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. The Supreme Court modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, 119 S. Ct. 721 (1999). Certain provisions of the Verizon Maine Terms may be void or unenforceable as a result of the Supreme Court's decision of January 25, 1999, the United States Eighth Circuit Court of Appeals' recent decision in Docket No. 96-3321 regarding the FCC's pricing rules, and any related appeals applicable to the FCC's new UNE rules or UNE pricing rules. Moreover, nothing herein shall be construed as or is intended to be a concession or admission by Verizon Washington, D.C. that any provision in the Verizon Maine Terms complies with the rights and duties imposed by the Act, the decisions of the FCC and the Commissions, the decisions of the courts, or other law, and Verizon Washington, D.C. expressly reserves its full right to assert and pursue claims arising from or related to the Verizon Maine Terms.

6. Verizon Washington, D.C. reserves the right to deny KMC's adoption and/or application of the Verizon Maine Terms, in whole or in part, at any time:

- (A) when the costs of providing the Verizon Maine Terms to KMC are greater than the costs of providing them to GNAPS;
- (B) if the provision of the Verizon Maine Terms to KMC is not technically feasible;
- (C) if Verizon Washington, D.C. otherwise is not obligated to permit such adoption and/or application under the Merger Conditions or under applicable law.

7. As noted above in paragraph 6, pursuant to Rule 809 of the FCC Regulations, the FCC gave ILECs the ability to deny 252(i) adoptions (and adoptions pursuant to

the Merger Conditions, since the 252(i) rules also apply thereto) in those instances in which the cost of providing the service to the requesting carrier is higher than that incurred in serving the initial carrier or in which there is a technical incompatibility issue. The issue of reciprocal compensation for traffic destined for the Internet falls within this exception. Verizon Washington, D.C. never intended for Internet traffic to be included within the definition of local traffic and subject to the corresponding obligation of reciprocal compensation. Whatever doubt any party may have had with respect to this issue was removed by the Declaratory Ruling that the Federal Communications Commission (the “FCC”) released on February 26, 1999 which, among other things, “conclude[d] . . . that ISP-bound traffic is non-local interstate traffic.”<sup>2</sup> The FCC also reaffirmed that “section 251(b)(5) of the Act and [the FCC] rules promulgated pursuant to that provision concern inter-carrier compensation for interconnected *local* telecommunications traffic.”<sup>3</sup> Based on the FCC’s Declaratory Ruling (among other things), it is clear that Internet traffic is not local traffic. Despite the foregoing, some forums have required reciprocal compensation to be paid. This produces the situation in which the cost of providing the service is not cost based. With this in mind (as well as the other bases noted in this letter), Verizon Washington, D.C. opposes, and reserves the right to deny, the adoption and/or the application of the provisions of the Verizon Maine Terms (e.g., section 5.7.2.3 of the GNAPS agreement) that might be interpreted to characterize traffic destined for the Internet as local traffic or requiring the payment of reciprocal compensation. However, Verizon Washington, D.C. shall, in any case, comply with the requirements of applicable law with respect to this issue.

If, notwithstanding the foregoing, as well as the pricing provision exclusion set forth in the Merger Conditions and the exclusions described in paragraph 4 above, KMC nonetheless believes that the GNAPS/Verizon Maine agreement somehow provides reciprocal compensation for ISP-bound traffic, it should note that, pursuant to section 5.7.2.3 of that agreement, Verizon Maine would not be obligated to pay reciprocal compensation for that traffic. The GNAPS/Verizon Maine agreement is essentially a clone of an agreement between GNAPS and Verizon New York Inc., doing business as Verizon New York, successor in interest to New York Telephone Company, formerly doing business as Bell Atlantic – New York, for the state of New York. In the New York agreement, GNAPS and Verizon New York negotiated the following terms with respect to Internet traffic:

5.7.2.3. The Parties stipulate that they disagree as to whether traffic that originates on one Party’s network and is transmitted to an Internet Service Provider (“ISP”) connected to the other Party’s network (“ISP Traffic”) constitutes Local Traffic as defined herein, and the charges to be assessed in connection with such traffic. The issue of whether such traffic constitutes Local

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<sup>2</sup> Declaratory Ruling in FCC CC Docket No. 96-98 and Notice of Proposed Rulemaking in CC Docket No. 99-68 (rel. February 26, 1999), fn. 87. The D.C. Circuit Court has recently asked the FCC to explain more fully its reasoning in arriving at this conclusion in the Declaratory Ruling, but it has not rejected the conclusion. The FCC, moreover, has publicly since reiterated the correctness of its conclusion.

<sup>3</sup> *Id.* (emphasis in original).

Traffic on which reciprocal compensation must [sic] be paid pursuant to the 1996 Act is presently before the FCC in CCB/CPD 97-30 and may be before a court of competent jurisdiction. The Parties agree that the decision of the FCC in that proceeding, or as [sic] such court, shall determine whether such traffic is Local Traffic (as defined herein) and the charges to be assessed in connection with ISP Traffic. If the FCC or such court determines that ISP Traffic is Local Traffic, as defined herein, or otherwise determines that ISP Traffic is subject to reciprocal compensation, it shall be compensated as Local Traffic under this Agreement unless another compensation scheme is required under such FCC or court determination. Until resolution of this issue, BA agrees to pay GNAPS Reciprocal Compensation for ISP traffic (without conceding that ISP Traffic constitutes Local Traffic or precluding BA's ability to seek appropriate court review of this issue) pursuant to the [New York Public Service] Commission's Order in Case 97-C-1275, dated March 19, 1998, as such Order may be modified, changed or reversed.

The same section 5.7.2.3 was copied into the GNAPS/Verizon Maine agreement.

At the time the New York and Maine agreements were signed, GNAPS and Verizon Maine were awaiting the FCC's decision in CCB/CPD 97-30 on the Internet traffic issue. As is clear from section 5.7.2.3, the parties intended that Verizon Maine would be unconditionally obligated to pay reciprocal compensation on Internet traffic only if the FCC (or a court of competent jurisdiction) were to determine that Internet traffic is local traffic. As you know, the FCC subsequently decided to the contrary, finding that Internet traffic is not local, but interstate and interexchange. Therefore, the conditional event in the GNAPS/Verizon Maine agreement has occurred, with the result that KMC, in adopting the GNAPS/Verizon Maine agreement Terms, is precluded from receiving reciprocal compensation on Internet traffic on this basis alone, as well as on the other bases described in this letter.

8. Should KMC attempt to apply the Verizon Maine Terms in a manner that conflicts with paragraphs 3-7 above, Verizon Washington, D.C. reserves its rights to seek appropriate legal and/or equitable relief.

Please arrange for a duly authorized representative of KMC to sign this letter in the space provided below and return it to the undersigned.

Sincerely,

VERIZON WASHINGTON, D.C. INC.

\_\_\_\_\_  
Jeffrey A. Masoner  
Vice President-Interconnection Services

Reviewed and countersigned as to points A, B, and C of paragraph 1:

KMC TELECOM V, INC.

\_\_\_\_\_  
By \_\_\_\_\_  
Title \_\_\_\_\_

Attachments  
Cc (w/out attachments):      Stephen Hughes

**KELLEY DRYE & WARREN LLP**

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E-MAIL: aklein@KelleyDrye.com

August 18, 2000

**Via Facsimile & Overnight Mail**

Jennifer Van Scoter  
 Director, Negotiations and Policy  
 Verizon Communications  
 1095 Avenue of the Americas  
 Room 1423  
 New York, NY 10036

**RE: KMC Telecom V, Inc. – Requests Pursuant To §252(i) of The Communications Act of 1934, as amended, To Adopt Bell Atlantic Interconnection Agreements For Connecticut, Delaware, The District of Columbia and New York**

Dear Ms. Van Scoter:

KMC Telecom V, Inc. (KMC) has recently notified Verizon/Bell Atlantic (Bell Atlantic or BA) of its elections, pursuant to section 252(i) of the Communications Act of 1934, as amended (“the Act”), to adopt Bell Atlantic’s interconnection agreements in several states. These elections include, among several others, the MCIm/BA Agreement for Connecticut, the AT&T/BA Agreement for Delaware, the MCIm/BA Agreement for the District of Columbia, the MCIm/BA Agreement for New York, and the Global NAPs/BA Agreement for Maine.

By letters dated July 24, 2000 and August 14, 2000, Bell Atlantic has advised KMC that each of the agreements referenced above, with the exception of the Global NAPs/BA Agreement for Maine, are “not available.” In each instance, Bell Atlantic has asserted that the agreements are not available because each is approaching its expiration date. In its correspondence dated August 14, 2000, however, Bell Atlantic has acknowledged that the Global NAPs/BA Agreement for Maine “is available for adoption.”

While KMC certainly does not agree with Bell Atlantic’s assertion that the referenced agreements are no longer available for adoption pursuant to §252 of the Act, KMC has identified



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alternative interconnection agreements, through use of the conditions placed on the recent merger of Bell Atlantic and GTE by the Federal Communications Commission,<sup>1</sup> that appear to suit its needs. This condition relates to the availability of negotiated interconnection agreements on a region-wide basis, within the Bell Atlantic and GTE legacy regions.<sup>2</sup>

In order to avoid any further dispute with Bell Atlantic regarding KMC's original opt-in selections, KMC hereby requests that Bell Atlantic make available to it the following interconnection agreements, for the following states:

The GNAPs/BA Maine Agreement for the State of Connecticut,  
The GNAPs/BA Maine Agreement for the State of Delaware,  
The GNAPs/BA Maine Agreement for the District of Columbia, and  
The GNAPs/BA New York Agreement for the State of New York.

Each adopted agreement should include all amendments and modifications thereto, and all amendments and modifications yet to be filed incorporating arbitration awards issued by the relevant state public service commission ("PSC"), and other pertinent decisions of the relevant PSC as of the date of this letter. KMC is not aware that any such amendments or modifications have been filed or approved to date. Therefore, this request is predicated on the assumption that the agreements described in this letter are the current agreements between Bell Atlantic and GNAPs in each state. KMC understands that both parties will take the adopted agreement subject to the outcome of pending appeals, if any, of decisions approving the agreement.

By execution of this adoption letter, neither KMC nor Bell Atlantic waives any of its rights or remedies under the Act; the rules, decisions or administrative processes of the Federal Communications Commission or the relevant PSC, or any other applicable law. In addition, KMC's adoption of these interconnection agreements does not affect any rights KMC has to negotiate amendments or successor agreements to the agreements adopted herein.

If Bell Atlantic's understanding of any of the statements in, or matters covered by, this adoption letter differs in any way from KMC's understanding, as set forth in this letter, please contact the undersigned immediately. As you are aware, KMC desires to proceed with all

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<sup>1</sup> *In re Application of GTE CORPORATION, Transferor, and BELL ATLANTIC CORPORATION, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000). ("BA/GTE Merger Order")

<sup>2</sup> *BA/GTE Merger Order* at paragraphs 300-305.

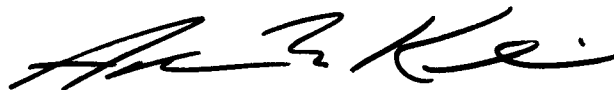
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possible speed in executing agreements for these states, and in obtaining regulatory approval of same.

Please acknowledge receipt of this request by signing the enclosed copy of this letter in the space provided and returning it in the enclosed stamped, self-addressed envelope. Kindly contact me at your earliest convenience in order to discuss your preferred procedure for the preparation of adopted versions of the selected agreement for KMC in each state. Thank you.

Sincerely yours,



Andrew M. Klein  
Counsel to KMC Telecom V, Inc.  
Kelley Drye & Warren LLP  
1200 19<sup>th</sup> Street, N.W., Suite 500  
Washington, D.C. 20036  
Tel: (202) 887-1257  
Fax: (202) 955-9792

**ACCEPTED AND AGREED TO:**  
**VERIZON COMMUNICATIONS/BELL ATLANTIC**

**BY:** \_\_\_\_\_  
Jennifer Van Scoter  
Verizon Communications

**DATED: August \_\_, 2000.**

cc: John Evans, KMC Telecom V, Inc.

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November 17, 2000

**Via Overnight Mail** (703) 974-4610

Mr. Jeffrey Masoner  
Vice President, Interconnection Services  
Verizon Services Corp.  
1320 North Courthouse Road, 2<sup>nd</sup> Floor  
Arlington, VA 22201

Re: KMC Telecom V, Inc. – Request Pursuant to §252(i) of the Communications Act and the Bell Atlantic/GTE Merger Conditions to Adopt the Interconnection Agreement between Bell Atlantic Maine and Global NAPS for Washington, D.C..

Dear Mr. Masoner:

I am in receipt of your letter of *October 30, 2000*, regarding the above referenced matter.<sup>1</sup> KMC Telecom V, Inc. (KMC) takes issue with almost all of the positions asserted by Verizon<sup>2</sup> in that letter, which was sent in response to KMC's opt-in request of *August 18, 2000*.

KMC is selecting the existing Verizon/Global NAPS Interconnection Agreement in Maine as the agreement that will govern the relationship between the parties in Washington, D.C. pursuant to §252(i) of the Communications Act and the conditions placed on the merger of

<sup>1</sup> Although this letter was not signed, we trust that it was written or sent on your behalf by an authorized employee of Verizon Communications. If said letter does not represent your or Verizon Communications' positions with respect to any of the matters addressed therein, please advise the undersigned immediately.

<sup>2</sup> Since Verizon is the successor corporation to BELL ATLANTIC following BELL ATLANTIC's merger with GTE Corporation, we fully expect that Verizon and BELL ATLANTIC may be freely substituted for one another, and that Verizon will fully honor all obligations of BELL ATLANTIC.

KELLEY DRYE & WARREN LLP

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November 17, 2000  
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Bell Atlantic and GTE by the Federal Communications Commission.<sup>3</sup> KMC does not believe that its countersignature of your letter, as you propose, is a necessary part of the opt-in process pursuant to either §252(i) of the Act or the BA/GTE Merger Order.

Although Verizon is apparently requesting KMC's signature with respect to certain limited portions of that letter, KMC disagrees with the tortured interpretations of the Communications Act, court decisions, the BA/GTE Merger Order and other FCC Orders, and the agreement itself that are set forth in your correspondence. KMC will therefore not be countersigning the letter and will instead set forth the necessary representations herein. If necessary, Verizon may file this correspondence together with its petition to the Washington, D.C. Commission requesting approval of KMC's opt-in to the Verizon-Maine/Global NAPs Interconnection Agreement.

KMC is adopting the Global NAPs (GNAPs) Interconnection Agreement, and the terms and conditions contained therein. KMC shall therefore, as you indicate in your October 30, 2000 correspondence, be substituted in place of GNAPs in the Agreement. Following such substitution, the document will become the "Verizon/KMC Agreement" for Washington, D.C. and be submitted to the Washington, D.C. Commission for its approval in accordance with §252(e) of the Communications Act and relevant state procedures.

KMC requests that the following Notice/Contact information be inserted into the relevant portions of the agreement:

Charlene H. Keys  
Vice President of Carrier Management  
KMC Telecom  
1755 North Brown Road  
Lawrenceville, GA 30043

Copy to:  
Andrew M. Klein  
Kelley Drye & Warren LLP  
Counsel to KMC Telecom Inc.  
1200 19<sup>th</sup> Street, N.W.  
Washington, DC 20036

---

<sup>3</sup> *In re Application of GTE CORPORATION, Transferor, and BELL ATLANTIC CORPORATION, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000) ("BA/GTE Merger Order").*

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KMC is certified to provide local exchange services in Washington, D.C. KMC agrees with Verizon that the interconnection agreement referenced herein will govern the relationship between the companies in Washington, D.C., and notes with appreciation Verizon's position that KMC's adoption of the terms of the GNAPs agreement shall become effective upon Verizon's filing with the Washington, D.C. Commission for approval of the Verizon/KMC interconnection agreement.

Regarding any and all remaining legal interpretations and assertions, including but not limited to those contained in your October 30, 2000 correspondence, KMC expressly and fully reserves its rights to assert legal positions and pursue claims arising from or related to the terms of the Verizon/KMC agreement.

Kindly contact me at your earliest convenience in order to discuss your preferred procedure for the preparation of an adopted version of the Verizon/KMC Agreement for submission to the Washington, D.C. Public Service Commission. Finally, both KMC and Kelley Drye desire to avoid the unnecessary delay and retributive threats from Verizon that have unfortunately accompanied similar opt-in requests, and would appreciate your cooperation in this regard.

Sincerely yours,



Andrew M. Klein  
Counsel to KMC Telecom V, Inc.

cc: John Evans, KMC Telecom, Inc.  
Marva Brown Johnson, KMC Telecom, Inc.

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December 1, 2000

**Via Overnight Mail** (703) 974-4610

Mr. Jeffrey Masoner  
 Vice President, Interconnection Services  
 Verizon Services Corp.  
 1320 North Courthouse Road, 2<sup>nd</sup> Floor  
 Arlington, VA 22201

Re: KMC Telecom, Inc. – Requests Pursuant to §252(i) of the Communications Act and the Bell Atlantic/GTE Merger Conditions to Adopt Various Interconnection Agreements.

Dear Mr. Masoner:

As you are aware, KMC has adopted interconnection agreements in almost all Bell Atlantic states. These agreements have been selected pursuant to §252(i) of the Communications Act and the conditions placed on the merger of Bell Atlantic and GTE by the Federal Communications Commission.<sup>1</sup>

Unfortunately, the interconnection and approval process has not proceeded at an appropriate pace. While Steve Hughes of Verizon has responded to our requests for updates on the status of several agreements, he has been unable to provide information as to each request

<sup>1</sup> *In re Application of GTE CORPORATION, Transferor, and BELL ATLANTIC CORPORATION, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000) ("BA/GTE Merger Order").*

Jeffrey Masoner  
Verizon Communications  
December 1, 2000  
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and we have not been copied on correspondence to the State Commissions for these. KMC, therefore, requests that Verizon provide the current status of the opt-in requests for each of the following States:

Connecticut  
Delaware  
District of Columbia  
Maine  
New Hampshire  
New Jersey  
New York  
Pennsylvania  
Rhode Island  
Virginia

Kindly advise whether any of the foregoing requests are being delayed, and advise of any causes of delay that are in need of being remedied. Finally, please contact me at your earliest convenience in order to discuss Verizon's procedure for the completion of these interconnection requests. Thank you for your continued cooperation in this matter.

Sincerely yours,



Andrew M. Klein  
Counsel to KMC Telecom, Inc.

cc: Marva Brown Johnson, KMC Telecom, Inc.

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MANILA, THE PHILIPPINES

MUMBAI, INDIA

TOKYO, JAPAN

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December 26, 2000

**Via Overnight Mail** (703) 974-4610

Mr. Jeffrey Masoner  
Vice President, Interconnection Services  
Verizon Services Corp.  
1320 North Courthouse Road, 2<sup>nd</sup> Floor  
Arlington, VA 22201

Re: KMC Telecom, Inc. – Requests Pursuant to §252(i) of the Communications Act and the Bell Atlantic/GTE Merger Conditions to Adopt Various Interconnection Agreements.

Dear Mr. Masoner:

This correspondence is a follow-up to my correspondence to you dated December 1, 2000, which is attached hereto as Exhibit 1, for your reference. In response to that letter, I received an e-mail from Stephen Hughes of Verizon that contained incomplete information on the status of the interconnection KMC has requested (KMC has adopted an interconnection agreement in almost every Bell Atlantic state).

Also attached hereto, as Exhibit 2, is a second e-mail from Mr. Hughes, that contained inaccurate information regarding the status of the opt-in process. One can discern from the tone of that correspondence Mr. Hughes' apparent belief that Verizon has been meeting its obligations and proceeding with the opt-in process in a timely manner. It has not.

Attached hereto as Exhibit 3 are KMC's responses to FOUR of the letters to which Mr. Hughes claims Verizon did not receive a response, along with their Federal Express



KELLEY DRYE & WARREN LLP

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Verizon Communications  
December 26, 2000  
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tracking sheets indicating (for three of them<sup>1</sup>) that they were in fact received by Verizon. These letters were sent by the undersigned, on behalf of KMC, on October 6<sup>th</sup> and November 17<sup>th</sup>.<sup>2</sup>

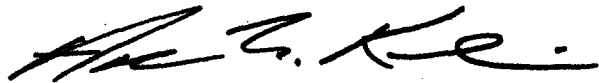
In light of the substantial and repeated delays KMC has faced throughout the process of obtaining interconnection agreements with Verizon, KMC does not believe that Verizon is complying with its interconnection obligations.

At this point, KMC would like to obtain from Verizon an immediate and accurate estimate of the time it will take Verizon to file requests for approval of the interconnection agreements:

Connecticut  
Delaware  
District of Columbia  
Maine

It is our hope that all remaining interconnection agreements can be concluded without any further delay. Thank you for your anticipated cooperation in this matter.

Sincerely yours,



Andrew M. Klein  
Counsel to KMC Telecom, Inc.

cc: Stephen Hughes, Verizon  
Marva Brown Johnson, KMC Telecom, Inc.

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<sup>1</sup> Due to administrative reasons, we were unable to track the fourth.

<sup>2</sup> Responses to the remaining two letters are being handled by KMC's in-house attorneys.

**Klein, Andrew M.**

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**From:** stephen.c.hughes@verizon.com  
**Sent:** Tuesday, December 19, 2000 2:13 PM  
**To:** aklein@kelleydrye.com  
**Subject:** FW: KMC

Forward.txt

Mr. Klein: I understand you have been in contact with Ms. Huda Durant of our office and have inquired about the filing status of various adoptions.

I want to reiterate that I have received no correspondence related to CT, DE, DC, ME, NH and VA. Does KMC intend to send correspondence related to these adoptions?

Thank you.

Steve Hughes  
212-221-5499

----- Forwarded by Stephen Hughes on 12/19/2000 02:14 PM  
-----

----- Forward Header

Subject: FW: KMC  
Author: "Klein, Andrew M." <SMTP:AKlein@KelleyDrye.com> at GCOHUB  
Date: 12/19/00 10:58 AM

-----Original Message-----

From: stephen.c.hughes@verizon.com [mailto:stephen.c.hughes@verizon.com]

Sent: Tuesday, December 05, 2000 4:21 PM

To: aklein@kelleydrye.com

Subject: KMC

Andrew M. Klein, Esq.  
Kelley Drye & Warren LLP  
1200 19th Street, NW  
Suite 500  
Washington, D.C. 20036

Mr. Klein:

This is in response to your December 1, 2000 letter to Jeffrey Masoner requesting the current status of the KMC opt-in requests for several jurisdictions. The information is as follows:

Connecticut - sent to customer for signature on 10/30/00.

Delaware - sent to customer for signature on 9/22/00.

District of Columbia - sent to customer for signature on 10/30/00.

Maine - sent to customer for signature on 9/18/00.

New Hampshire - sent to customer for signature on 12/5/00.

New Jersey - filed on 9/26/00.

New York - signed on 11/19/00 - filing in process.

Pennsylvania - filed on 9/20/00.

Rhode Island - filed on 10/12/00

Virginia - sent to customer for signature on 10/30/00.

I believe you indicated on the telephone that correspondence related to some of the unsigned agreements would be forthcoming. I have received no correspondence related to these.

For copies of correspondence generated during the filing process, you may call Ms. Huda Durant at 703-974-8077.

Steve Hughes  
Verizon Wholesale Markets  
212-221-5499

The information contained in this E-mail message is privileged, confidential, and may be protected from disclosure; please be aware that any other use, printing, copying, disclosure or dissemination of this communication may be subject to legal restriction or sanction. If you think that you have received this E-mail message in error, please reply to the sender. This E-mail message and any attachments have been scanned for viruses and are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened. However, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by Kelley Drye & Warren LLP for any loss or damage arising in any way from its use. (See attached file: Forward.txt)